
SENATE BILL No. 515

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1-21-5.2.

Synopsis: Tax credit for low income elderly homeowners. Provides a property tax credit to homestead owners who are at least 65 years of age and who have adjusted gross incomes of less than \$30,000. Provides that the credit for an individual with no adjusted gross income is equal to one-half of the net property tax bill on the individual's homestead, and provides that the credit is phased out as the individual's adjusted gross income approaches \$30,000. Provides that the property tax credit is payable from the property tax replacement fund. Appropriates money from the property tax replacement fund to pay for the property tax credits.

Effective: January 1, 2002.

Craycraft

January 22, 2001, read first time and referred to Committee on Finance.

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First Regular Session 112th General Assembly (2001)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2000 General Assembly.

SENATE BILL No. 515

A BILL FOR AN ACT to amend the Indiana Code concerning taxation and to make an appropriation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-1.1-21-5.2 IS ADDED TO THE INDIANA
2 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
3 [EFFECTIVE JANUARY 1, 2002]: **Sec. 5.2. (a) The following**
4 **definitions apply throughout this section:**

5 (1) "Dwelling" means:

6 (A) an improvement to residential real property; or

7 (B) a mobile home not assessed as real property;

8 that an individual uses as the individual's residence.

9 (2) "Homestead" means an individual's principal place of
10 residence that:

11 (A) is located in Indiana;

12 (B) the individual either owns or is buying under a
13 contract requiring the individual to pay the property taxes
14 on the residence; and

15 (C) consists of a dwelling and any real estate, not exceeding
16 one (1) acre, that immediately surrounds the dwelling.

17 (3) "Net property tax bill" means the amount of property



taxes currently due and payable by an individual for a particular calendar year after the application of all deductions and credits, except for the credit allowed under this section, as evidenced by the tax statements prepared and mailed under IC 6-1.1-22-8.

(4) "Qualifying individual" means an individual who:

(A) is at least sixty-five (65) years of age on or before December 31 of the calendar year preceding the year in which the credit allowed under this section is received; and

(B) had an adjusted gross income of less than thirty thousand dollars (\$30,000) for the preceding taxable year.

(b) Each year a qualifying individual may receive a credit against the net property tax bill on the individual's homestead. The amount of the credit to which a qualifying individual is entitled equals the amount determined under the following STEPS:

STEP ONE: Determine an amount equal to fifty percent (50%) of the net property tax bill on the individual's homestead for the year.

STEP TWO: Determine the result of:

(A) the taxpayer's adjusted gross income (as defined in IC 6-3-1-3.5) for the preceding taxable year; divided by

(B) thirty thousand dollars (\$30,000).

STEP THREE: Determine the result of:

(A) the STEP TWO result; multiplied by

(B) the STEP ONE result.

STEP FOUR: Determine the result of:

(A) the STEP ONE result; minus

(B) the STEP THREE result.

(c) An individual who desires to claim the credit provided by this section must file a certified statement in duplicate on forms prescribed by the state board of tax commissioners with the auditor of the county in which the individual's homestead is located. The statement must be filed during the twelve (12) months before May 11 of the year before the first year for which the person wishes to obtain the credit under this section. The statement applies for that first year and any succeeding year for which the credit is allowed. The statement must contain the following information:

(1) The individual's full name and complete address.

(2) A description of the individual's homestead and the number of years that the individual has resided at that homestead.

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1 (3) Proof of the individual's age.

2 (4) The name of any other county and township in which the
3 individual owns or is buying real property.

4 (5) Any other information requested by the state board of tax
5 commissioners.

6 (d) If two (2) individuals own a homestead under a tenancy by
7 the entirety and one (1) or both of the individuals meet the
8 eligibility requirements of this section, those individuals are
9 together entitled to one (1) credit under this section.

10 (e) The auditor of a county with whom a statement is filed under
11 this section shall immediately prepare and transmit a copy of the
12 statement to the auditor of any other county if the individual who
13 claims the credit owns or is buying real property located in the
14 other county. The county auditor of the other county shall note on
15 the copy of the statement whether the individual has claimed a
16 credit under this section for a homestead located in the other
17 county. The auditor shall then return the copy to the auditor of the
18 first county.

19 (f) Upon receiving a proper credit statement, the county auditor
20 shall allow the credit and shall apply the credit equally against
21 each installment of property taxes payable in that calendar year.
22 The county auditor shall include the amount of the credit applied
23 against each installment of taxes on the tax statement required
24 under IC 6-1.1-22-8.

25 (g) After January 31, and before February 15 of each year, each
26 county auditor shall certify to the state board of tax commissioners
27 the number and amounts of the credits allowed under this section
28 for that calendar year. Upon receiving the certifications, the state
29 board of tax commissioners shall determine the total amount of the
30 credits allowed in each county under this section and shall certify
31 the totals to the department when the state board of tax
32 commissioners certifies the total county tax levies. The department
33 shall distribute to each county from the property tax replacement
34 fund the amount of credits certified for that county by the state
35 board of tax commissioners at the same time and in the same
36 manner as the department distributes the county's estimated
37 distribution under section 4 of this chapter. Money is appropriated
38 from the property tax replacement fund to make the distributions.

39 (h) If an individual knowingly or intentionally files a false
40 statement under this section, the individual must pay the amount
41 of any credit the individual received because of that false claim,
42 plus interest, to the state board of tax commissioners for deposit in

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1 the property tax replacement fund established by section 1 of this
2 chapter.

3 SECTION 2. [EFFECTIVE JANUARY 1, 2002] (a)
4 IC 6-1.1-21-5.2, as added by this act, applies to credit claims filed
5 after December 31, 2001.

6 (b) IC 6-1.1-21-5.2, as added by this act, applies to property
7 taxes first due and payable after December 31, 2002.

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